

**The Pet Plan
Charitable Trust**

**Annual Report and Accounts
31 December 2006**

**Charity Registration No.
1032907**

THE PET PLAN CHARITABLE TRUST
LEGAL AND ADMINISTRATIVE DETAILS

TRUSTEES David Simpson (Chair)
Clarissa Baldwin OBE
Patsy Bloom
John Bower BVSc MRCVS
Edward Chandler BVetMed FRCVS -
(appointed 28 September 2006)
Roz Haywood-Butt
Gareth Jones
Nicholas Mills MA VetMB MRCVS
George Stratford FCA

ADDRESS The Pet Plan Charitable Trust
Great West House (GW2)
Great West Road
Brentford
Middlesex TW8 9DX

CHARITY REGISTRATION NUMBER 1032907

AUDITORS Buzzacott LLP
12 New Fetter Lane
London EC4A 1AG

BANKERS Schroder & Co Limited
100 Wood Street
London EC2V 7ER

INVESTMENT MANAGERS Schroder Investment Management
Limited
33 Gutter Lane
London EC2V 8AS

SOLICITORS Bates Wells & Braithwaite
Cheapside House
138 Cheapside
London EC2V 6BB

TRUST ADMINISTRATOR Catherine Bourg BA MSc

REPORT AND ACCOUNTS - 31 DECEMBER 2006

Report of the Trustees Pages 1 to 4
Report of the Independent Auditors Page 5

Accounts comprising:

Statement of financial activities Pages 6 to 7
Balance sheet Page 8
Notes to the accounts Pages 9 to 14

THE PET PLAN CHARITABLE TRUST

REPORT OF THE TRUSTEES

The Trustees present their report together with the accounts of the Pet Plan Charitable Trust for the year ended 31 December 2006.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Pet Plan Charitable Trust is a registered charity (registration no. 1032907) and is governed by a Trust Deed dated 21 January 1994.

The Trust is governed by a Board of Trustees (currently nine in number) which meets twice a year. The Trust's Deed states that, at any time, there should be no less than three Trustees. The Board considers recommendations made by the Welfare Committee, which meets once a year to consider welfare/educational grant applications, and the Scientific Advisory Committee, which meets once a year to consider scientific grant applications. Members of the Trustee Board sit on both the Welfare and Scientific Advisory Committees.

The Trustees and Committee members are chosen for their knowledge and expertise in the specialist veterinary/animal health field. Trustees serve for a term of up to three years, on a rotation basis, after which they may be re-elected for a further term. All Trustees are aware of their duties and responsibilities as charity trustees, and sign a contract between themselves and the charity when they agree to serve.

The Committee members who served during the period were as follows :

Welfare Committee

Clarissa Baldwin OBE (Welfare Secretary) (Chief Executive, Dogs Trust)
Claire Bessant (Chief Executive, Feline Advisory Bureau)
Edward Chandler BVetMed FRCVS
Derek Conway MP (resigned 2006)
Nicholas J Mills MA VetMB, MRCVS QDR (appointed 2006)
Helen Ralston BA CA MCT MBA FRSA (appointed 2006)
James Cretney

Scientific Committee

Edward Chandler BVetMed FRCVS (Scientific Secretary)
Professor Mike Day BSc BVMS Hons, PhD DSc DipLECVF FASM FRCPath FRCVS - University of Bristol
Professor David Bennett BSc BVetMed PhD DSAP ILTM MRCVS - University of Glasgow
Professor Jonathan Elliott MA VetMB PhD MRCVS - Royal Veterinary College
Michael Herrtage MA BVSc DVR DVD DSAM, DipECVIM, DipECVDI, MRCVS - University of Cambridge
Lynne Hill MVB MBA MRCVS - Royal Veterinary College
Dr Rachel Murray MA Vet MB MS PhD MRCVS Diplomate ACVS Diplomate ECVS - AHT (resigned March 2006)
Dr Tim Parkin BSc, BVSc, PhD, DipECVPH, MRCVS - Animal Health Trust (appointed April 2006)
Professor Chris Proudman MA VetMB PhD CertEO FRCVS (Chair) - University of Liverpool
Dr Keith Thoday BVetMed PhD DVD DipECVD MRCVS - The University of Edinburgh

Board of Trustees

David Simpson (Chair)
Clarissa Baldwin, OBE
Patsy Bloom
John Bower BVSc MRCVS
Edward Chandler BVetMed FRCVS
Roz Haywood-Butt
Gareth Jones
Nicholas J Mills MA VetMB MRCVS QDR
George Stratford FCA

THE PET PLAN CHARITABLE TRUST

REPORT OF THE TRUSTEES

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Board of Trustees (continued)

The connections of the trustees to Pet Plan Limited and its group companies are as stated below.

John Bower	Veterinary Surgeon and a consultant to Pet Plan Limited.
Gareth Jones	A General Manager of Allianz Insurance plc (parent undertaking of Pet Plan Ltd in the United Kingdom) and responsible for the Animal Health Division which includes Pet Plan.
Nick Mills	Veterinary Surgeon and a consultant to Pet Plan Limited.
George Stratford	Finance director of Allianz Insurance plc (parent undertaking of Pet Plan Ltd in the United Kingdom) and Chairman of Pet Plan Limited

Risk Management

The Trustees have assessed all the major risks to which the Trust is exposed, in particular those relating to the specific operational areas of the Trust, its investments and its finances. The Trustees believe that by monitoring reserve levels, by ensuring controls over key financial systems, and by examining the operational and business risks faced by the Trust, that they have established effective systems to mitigate those risks. The Trustees are currently in the process of drawing up a formal risk assessment document.

OBJECTIVES AND ACTIVITIES

The Trust has the following aims and objectives:

- To provide grants for the welfare of dogs, cats, horses and rabbits by funding clinical veterinary investigation, education and welfare projects. The Trust does not and will not consider applications which involve experimental or invasive surgery.
- To promote and improve the welfare of animals and relieve their suffering.
- To give Pet Plan policy holders the opportunity to act as a major collective force for the well being of animals through modest individual donations which, when added together, will allow substantial grants to be made.
- To harness the compassion and concern of the Pet Plan policyholders for the good of all animals.

The principal activity of the Trust is to make grants from donations received to fund clinical veterinary investigation, education and welfare projects. Two rounds of grants are awarded each year, welfare and scientific.

Welfare grant applications are scrutinised by the Welfare Committee before a shortlist is put forward for consideration by the Trustees. All applicants must be registered charities, and must provide comprehensive information including photographs and their most recent accounts.

Scientific grants applications are invited from the major veterinary schools and are split into two as follows:

- pump priming grants, up to a maximum of £10,000, which are meant to fund initial research over a period of no more than one year. Pump priming grant applications are scrutinised by the Scientific Advisory Committee (SAC) before a shortlist is put forward for consideration by the Trustees
- full grants (which can be any amount at the discretion of the Trustees), which fund in-depth research over one, two or three years. In order to qualify for

THE PET PLAN CHARITABLE TRUST

REPORT OF THE TRUSTEES

OBJECTIVES AND ACTIVITIES (continued)

a full grant, applicants must first complete an initial application which is scrutinised by the SAC. If appropriate, the applicant is then required to complete a second, full application. These full applications are once again checked by the SAC and also subject to external peer review. A final shortlist is drawn up and shortlisted applicants are invited for interview with the SAC. From those interviewed, the SAC will make recommendations to the Trustees.

All successful applicants are required to provide project reports to update the Trust on progress.

The grants pledged in 2006 were:

	2006	2005
	£	£
• Scientific grants	346,187	219,443
• Welfare and Educational grants	127,750	2,431
	-----	-----
	473,937	221,874
	=====	=====

ACHIEVEMENTS AND PERFORMANCE

Although donation income dropped in 2006, grants pledged during the year more than doubled. This is in line with the Trustees' decision on reserves, and the Trustees are pleased to see that the level of funding given to welfare and education grants has risen. Trustees have been in discussions with Pet Plan Limited to investigate the possibility of increasing the annual voluntary donation given by policy holders, in order to increase donation income in future years. The donation is currently £1, as it has been since the inception of the Trust.

FINANCIAL REVIEW

Donation income amounted to £376,120 (2005 - £415,911). Income from investment activity resulted in investment income of £30,828 (2005 - £28,474), interest receivable of £4,786 (2005 - £3,387), realised gains of £95 (2005 - gains £11,181), and unrealised gains of £170,324 (2005 - £195,030).

New grants of £473,937 (2005 - £184,674) were pledged. In addition, other charitable expenditure of £72,473 (2005 - £88,777) was incurred.

The Trust continues to invest funds for the future, and at 31 December 2006 had £1,512,593 (2005 - £1,307,353) invested in a portfolio under discretionary fund management. Total net assets of the Trust at 31 December 2006 were £831,273 (2005 - £802,656).

INVESTMENT POLICY

All of the Trust's funds are managed by Schroder Investment Management Limited in order to achieve capital growth and are held in unit trusts. The only restriction on the investment manager is that no monies should be invested in tobacco-related stocks, shares, unit trusts, etc.

The performance of the Trust's portfolio over the last few years has been disappointing in relation to the performance of world stock markets. The value of the portfolio has grown but at a rate which is behind the various benchmarks which are used to monitor performance. The Trustees continue to closely monitor the performance of the portfolio.

THE PET PLAN CHARITABLE TRUST

REPORT OF THE TRUSTEES

RESERVES POLICY

Overall the Trust's strategy remains that of establishing a firm capital base so that it can make an enduring contribution through its grants.

In the first years of the Trust's existence the Trustees, unsure as to the likely strength of donations, considered that this strategy would be best achieved by investing a significant portion of donations received. But by 2002 the Trustees felt that a clear pattern of donation level had been established and that the continued commitment of the Pet Plan Ltd to support the Trust allowed them greater flexibility. Therefore since 2002 a greater proportion of funds has been released annually for grants.

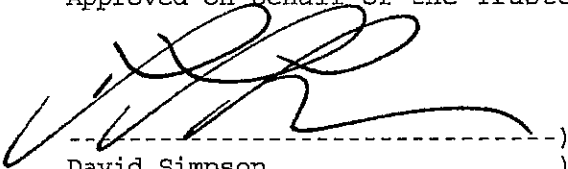
PLANS FOR FUTURE PERIODS

The charity wishes to raise its profile, and has therefore decided to appoint a PR company for a period of 12 months to provide media coverage of some of the projects funded. In addition, there are plans to set up a dedicated website which will provide interested parties with more information on the work of the Trust. The Trust has agreed with Pet Plan Limited that it can actively approach policy holders, through Pet Plan Limited's publications, in order to request additional or increased donations. In this way the Trust hopes to grow its income levels and thus be in a position to award more grants in the future.

AUDITORS

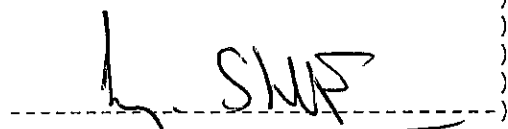
On 30 September 2007, Buzzacott, the Trust's auditors, transferred their entire business to Buzzacott LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Trustees have consented to treating the appointment of Buzzacott as auditors as extending to Buzzacott LLP.

Approved on behalf of the Trustees



David Simpson

) Trustees



George Stratford

) Date of approval:

22/10/07

THE PET PLAN CHARITABLE TRUST

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE PET PLAN CHARITABLE TRUST

We have audited the accounts on pages 6 to 14, which have been prepared under the historical cost convention, as modified by the inclusion of investments at market value, and the accounting policies set out on pages 9 and 10.

This report is made solely to the charity's Trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and with regulations made under Section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustees, as a body, those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As described on page 4 you are responsible as trustees for the preparation of the Trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

We have been appointed as auditors under Section 43 of the Charities Act 1993 and report in accordance with the regulations under Section 44 of that Act. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' report is not consistent with the accounts, if the charity has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read other information in the Trustees' report and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Trust's affairs as at 31 December 2006 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

Buzzacott LLP

BUZZACOTT LLP
Chartered Accountants and Registered Auditors
12 New Fetter Lane
London, EC4A 1AG

30 October 2007

THE PET PLAN CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2006

		<u>Unrestricted funds</u>	
		Year ended 31 December 2006 £	Year ended 31 December 2005 £
	Notes		
INCOMING RESOURCES			
Incoming resources from generated funds:			
Voluntary income	2	376,120	415,911
Investment income	3	30,828	28,474
Interest receivable		4,786	3,387
		<hr/>	<hr/>
TOTAL INCOMING RESOURCES		411,734	447,772
		=====	=====
RESOURCES EXPENDED			
Charitable activities:			
The promotion and improvement of the welfare of animals and the relief of their suffering			
	4	546,410	273,451
Governance	6	7,126	4,800
		<hr/>	<hr/>
TOTAL RESOURCES EXPENDED		553,536	278,251
		=====	=====
NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR		(141,802)	169,521
OTHER RECOGNISED GAINS AND LOSSES			
Gains on investments			
Realised		95	11,181
Unrealised	8	170,324	195,030
		<hr/>	<hr/>
NET MOVEMENT IN FUNDS		28,617	375,732
BALANCES BROUGHT FORWARD at 1 January		802,656	426,924
		<hr/>	<hr/>
BALANCES CARRIED FORWARD at 31 December		831,273	802,656
		=====	=====

THE PET PLAN CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2006 continued

NOTE OF HISTORICAL COST NET MOVEMENT IN FUNDS

	<u>Unrestricted funds</u>	
	Year ended 31 December 2006 £	Year ended 31 December 2005 £
Reported net movement in funds	28,617	375,732
Unrealised gains on investments in the year	(170,324)	(195,030)
Difference between realised gains (losses) based on historical cost and actual realised gains (losses) calculated on carrying value	(95)	21,837
Historical cost net movement in funds	<u>(141,802)</u>	<u>202,539</u>
Historical cost balance carried forward at 31 December	===== 385,264 =====	===== 527,066 =====

CONTINUING OPERATIONS

All of the Trust's activities derived from continuing operations in the above two financial periods.

STATEMENT OF RECOGNISED GAINS AND LOSSES

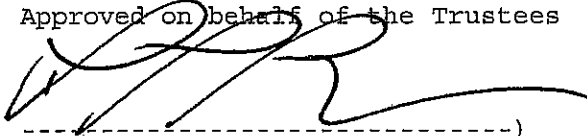
The Trust has no recognised gains or losses other than those included in the above statement of financial activities.

THE PET PLAN CHARITABLE TRUST

BALANCE SHEET AT 31ST DECEMBER 2006

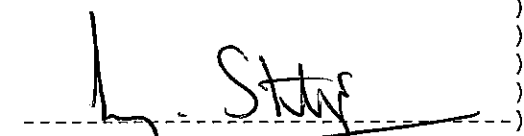
	Notes	£	2006 £	£	2005 £
FIXED ASSETS					
Investments	8		1,512,593		1,307,353
CURRENT ASSETS					
Debtors	9	—		3,652	
Cash at bank and in hand		—		49,566	
				<u>53,218</u>	
CREDITORS: Amounts falling due within one year	10	(540,695)		(513,503)	
				<u>53,218</u>	
NET CURRENT LIABILITIES			(540,695)		(460,285)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>971,898</u>		<u>847,068</u>
CREDITORS: Amounts falling due after one year					
Grants payable			(140,625)		(44,412)
			<u>(140,625)</u>		<u>(44,412)</u>
TOTAL NET ASSETS			<u>831,273</u>		<u>802,656</u>
			=====		=====
Represented by:					
FUNDS AND RESERVES					
Unrestricted funds			831,273		802,656
			=====		=====

Approved on behalf of the Trustees



David Simpson

) Trustees



George Stratford

Date of approval:

22/10/07 2007

1. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of accounting

The accounts have been prepared under the historical cost convention, as modified by the inclusion of listed investments at market value, and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Charities Act 1993.

The recommendations set out in the Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005), issued by the Charity Commission in March 2005 have been followed in the preparation of these accounts. The adoption of SORP 2005 has resulted in changes in the presentation of the statement of financial activities and the reclassification of certain comparative figures contained therein.

(b) Cash flow statement

These accounts do not include a cash flow statement because the Trust as a small reporting entity is exempt from the requirement to produce such a statement under Financial Reporting Standard No. 1 "Cash Flow Statements".

(c) Incoming resources

Donations receivable from Pet Plan policyholders, Pet Plan Limited (see Note 11) and private donations are credited to the Statement of Financial Activities in the year in which they are received. Donations arising out of fundraising events are credited to the Statement of Financial Activities in the year in which the event takes place. All other income is credited to the Statement of Financial Activities on a receivable basis.

(d) Expenditure

Expenditure is debited to the Statement of Financial Activities on an accruals basis and is classified as follows:

(i) Charitable activities comprise grants payable and the costs of administering the grants programme.

Grants

Grants comprise amounts pledged in the year to fund clinical veterinary investigation, education, welfare and capital projects for dogs, cats and horses.

Administration costs

This category of expenditure comprises reimbursed expenses of the Scientific, Welfare and Professional Steering Committees, fees of a part-time Scientific Secretary who reviews and considers grant applications and advises the Trustees on the feasibility of projects.

It also comprises central management costs, including the remuneration costs of a part-time administrator, costs associated with the management of the Trust's assets, and organisation management.

(ii) Governance costs

These costs include costs which are directly attributable to legal procedures necessary for compliance with constitutional and statutory requirements.

THE PET PLAN CHARITABLE TRUST

NOTES TO THE ACCOUNTS - 31 DECEMBER 2006

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(e) Investments

Investments are included in the accounts at market value. Unrealised and realised gains or losses are credited or debited to the Statement of Financial Activities in the year in which they arise.

f) Grant commitments

Where grants are payable by instalment, but those instalments form part of a binding commitment by the Trustees, the total grant is charged to the Statement of Financial Activities in the year in which the commitment is made. Future instalments are shown on the balance sheet as creditors analysed between amounts due within one year and amounts due after more than one year.

(g) Value added tax

Irrecoverable value added tax is aggregated with the expenditure to which it relates.

(h) Fund accounting

The unrestricted funds comprise those funds available for use at the discretion of the Trustees in furtherance of the general charitable objectives of the Trust.

2. DONATIONS RECEIVED

	Unrestricted Funds	
	2006 £	2005 £
Donations from Pet Plan policy holders	325,078	365,670
Donation from Pet Plan Limited (Note 11)	50,000	50,000
Private donations	1,042	241
	<u>376,120</u>	<u>415,911</u>
	=====	=====

3. INVESTMENT INCOME

	Unrestricted Funds	
	2006 £	2005 £
Equities and unit trusts - U.K.	30,228	27,873
Equities and unit trusts - Overseas	600	601
	<u>30,828</u>	<u>28,474</u>
	=====	=====

4. THE PROMOTION AND IMPROVEMENT OF THE WELFARE OF ANIMALS AND THE RELIEF OF THEIR SUFFERING

	Unrestricted Funds	
	2006 £	2005 £
Grants payable (Note 5)	473,937	184,674
Grant administration costs:		
Fees	12,500	12,500
Committee expenses	5,068	3,439
Management charge payable to Pet Plan Limited (Note 11)	28,648	32,225
Remuneration costs recharged by Pet Plan Limited (Note 11)	—	29,025
Administrators' salary (note 7)	22,528	7,684
Investment managers' rebates/fees	(1,463)	590
Other expenses	5,192	3,314
	<u>546,410</u>	<u>273,451</u>
	=====	=====

5. GRANTS PAYABLE

During the year the Trustees agreed to pledge the following grants:

Recipient	Purpose	£
University of Edinburgh	Treatment of Staphylococcus intermedius	105,680
University of Edinburgh	Evaluation of Egfr gene silencing	81,300
Royal Veterinary College	MRSA amongst companion animals	66,096
Mid-Antrim Animal Sanctuary	New build project-sanctuary to raise 80%	15,000
Worldwide Veterinary Service	Service Sending vets overseas to neuter cats/dogs	12,000
M Green Foundation Trust	Animal ambulance fitted with cages and shelves	12,000
Friends of Assisi Sanctuary	Towards new build - £350,000 to be raised by sanctuary	10,000
C4 Cats	Towards neutering cats in Greater London	10,000
University of Glasgow	Effects of non-steroidal anti- inflammatory drugs	10,000
Mayhew Animal Home	Towards refurbishment costs of their wet room/grooming room	10,000
University of Glasgow	Investigation of cytokine mRNA expression in performance horses, re airway disease	9,994
Royal Veterinary College	Effects of virginiamycin on equine gastrointestinal bacterial resistance	9,990
University of Liverpool	Immunopathogenesis of equine idiopathic focal eosinophilic enteritis	9,950
Royal Veterinary College	Chronic renal failure & hypertension in the cat	9,892
Royal Veterinary College	Immortalisation of cultured canine & equine muscle cells, primary muscle disorders	9,557
Royal Veterinary College	Canine cruciate ligament disease	8,900
Veteran Horse Welfare	Repairs and labour for their stable block	8,750
University of Edinburgh	Comparison of sensitivity/specificity of computed tomography for imaging	8,500

THE PET PLAN CHARITABLE TRUST

NOTES TO THE ACCOUNTS - 31 DECEMBER 2006

5. GRANTS PAYABLE (continued)

Recipient	Purpose	£
Royal Veterinary College	Hypertension in cats: the potassium connection	7,950
Stray Cat Rescue	Replacement of old cat pens	7,500
Cats Protection York branch	Towards a treatment room	7,500
Caring for Cats East Yorkshire	New van	6,500
Great Dane Adoption Society	Towards neutering	5,000
Safe Haven for Donkeys in the Holy Land	Towards veterinary care	5,000
Help in Suffering	Towards the street dog neutering & vaccination project in Jaipur	5,000
Animal Health Trust	Molecular genetics to predict whether canine mast cell tumours will metastasise	4,240
Royal Veterinary College	Evaluation of aspirin on platelet function in cats with myocardial disease	4,138
Blue Dog Trust	Blue Dog Project	3,500
Kismet	Neutering in Gran Canaria, Portugal, and Gibraltar	3,000
Retired Greyhound Trust	To support their homing initiative in Sheffield, 12 mths running costs for van	2,500
SNIP	Replacement equipment (pens, bedding etc)	2,500
Cottontails Rabbit & Guinea Pig Rescue	Vaccination of rabbits	2,000
TOTAL GRANTS AWARDED		<u>473,937</u> =====

6. GOVERNANCE COSTS

	Unrestricted Funds	
	2006 £	2005 £
Auditors' remuneration - Audit fee	6,421	4,800
- Other	705	-
	----- 7,126	----- 4,800
	=====	=====

7. EMPLOYEES AND STAFF COSTS

	2006 £	2005 £
Wages and salaries	20,735	6,923
Social security cost	1,803	761
	----- 22,538	----- 7,684
	=====	=====

There was, on average, only one part-time employee during the year (2005 - 1).

THE PET PLAN CHARITABLE TRUST

NOTES TO THE ACCOUNTS - 31 DECEMBER 2006

8. INVESTMENTS	2006	2005
	£	£
Listed investments at market value		
At 1 January	1,254,598	1,039,997
Acquisitions at cost	-	216,738
Disposals	-	(197,167)
Net gains on revaluation		
at 31 December	170,324	195,030
	-----	-----
At 31 December	1,424,922	1,254,598
Cash held by investment managers for investment	87,671	52,755
	-----	-----
Total investments at 31 December	1,512,593	1,307,353
	=====	=====
Cost of listed investments at 31 December	977,381	977,476
	=====	=====

All listed investments were dealt in on a recognised stock exchange.

Listed investments held at 31 December comprised:

	2006	2005
	£	£
Equities and unit trusts - U.K.	1,270,525	1,112,401
Equities and unit trusts - overseas	154,397	142,197
	-----	-----
	1,424,922	1,254,598
	=====	=====

At 31 December 2006 the following individual investment holdings were deemed material in the context of the market value of the listed investment portfolio:

Holding	Value at 31 December 2006	% of Portfolio
	£	%
267,330 Schroder Charity Equity Fund A Inc Units	717,647	50%
222,800 Schroder UK Alpha Plus Fund Inc Units	223,502	16%
14,180 Schroder Income Fund A Inc Units	121,927	9%
1,170 Schroder Recovery Fund Inc Units	74,318	5%

9. DEBTORS

	2006	2005
	£	£
Amounts due from Pet Plan Limited (Note 11)	-	3,652
	=====	=====

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Grants payable	505,448	504,611
Bank overdraft	15,072	-
Amounts due to Pet Plan Limited (Note 11)	7,918	-
Accruals	12,257	8,892
	-----	-----
	540,695	513,503
	=====	=====

11. PET PLAN LIMITED

The Trust's funds are raised by requesting an annual donation with the insurance premiums charged to policyholders of Pet Plan Limited, an insurance agency marketing Pet Plan insurance products on behalf of Allianz Insurance plc.

Donations are channelled to the Trust and are managed completely separately from the funds of the company.

Pet Plan Ltd has committed itself to donating £50,000 per annum to the Trust. Should Pet Plan Limited decide to cease this annual payment, the Trust will be given eighteen months' notice.

During the period the Trust paid a management charge of £28,648 (2005 - £32,225) to Pet Plan Limited in respect of premises, office services and general overheads. At 31 December 2006 the Trust owed Pet Plan Limited £7,918 (2005 - Pet Plan Ltd owed the Trust £3,652).

Details of the connections of the trustees to Pet Plan Limited and its group companies are given in the Report of the Trustees.

12. TRUSTEES' REMUNERATION

None of the Trustees received any remuneration in respect of their services as Trustees during the period (2005 - nil). Edward Chandler served as an Adviser to the Trust for several years before becoming a Trustee in September 2006. Since becoming a Trustee, advisory fees totalling £4,169 have been paid to him.

During the year expenses amounting to £398 (2005 - £637) were reimbursed to 3 (2005 - 1) trustees.

13. TAXATION

As a registered charity the Trust has no liability to income tax, corporation tax or capital gains tax as its income falls within the various exemptions available to registered charities.